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What The Public Demands

of the

Large Organization

By

EARL C. SAMS

President, J. C. Penney Company

Address delivered at the St. Louis, Salt Lake City, Portland, St. Paul, and Cleveland Conventions, September-October, 1923.

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CONTENTS

CHAPTER		PAGE
I	The Necessity for Frequently Dwelling Upon Our Ideals	5
II	Our Ideals	7
III	The Knowledge Side of Business	9
IV	The Purposes of Big Business	11
V	Men, the Vital Factor	14
VI	How to Create Perfect Local Organizations	17
VII	The Joy of Work	33
VIII	Menace of Half-Hearted Work	35
IX	Conclusion	37
	Influence of Home Economics Upon Business	41

What The Public Demands
of the
Large Organization

I

The Necessity for Frequently Dwelling Upon Our Ideals

HAVE you ever asked yourselves why we should collectively travel thousands of miles and expend a large sum total of time and money to attend these conventions?

I imagine that we could give many different reasons for doing this. And they would undoubtedly be good reasons. But, back of them all, is there not one fundamental reason for our coming together in Convention, that overtops, so to speak, all the others?

I know we gather together to hear addresses, to ask questions, to discuss our affairs and to select merchandise; otherwise a Convention would fail in most of its phases of practical utility. But beyond all these good reasons, I ask again, is there not one that stands out above the rest as THE reason?

I believe there is and I will express that reason something like this:

> We meet in Convention in order that we may restate, in one another's presence, our Ideals, our Purpose in doing business and our Service Creed. This will keep our vision clear and inspire us to continue to do our work with that degree of joy and energy that gives the zest of youth to all life.

If this be an accurate statement, then there rests upon us all equally the responsibility of seeing that every detailed act of our business life, whether of an officer of the Company or of an office boy, shall square with it. If we keep clearly before us our Ideals, our Purpose and our Service Creed, we cannot go far wrong.

Then, of course, it is necessary, as a part of the work of these Conventions, to discuss and to adjust the many details that spring up and accumulate day after day.

I think you will agree with me that, if we keep details in right relation with principles, they will give us no trouble.

II

Our Ideals

THEREFORE, let us in the days we are together and in all the days that follow, when we are returned to our accustomed places of business, keep before us that our Ideals are:

1. To serve the public, as nearly as we can, to its entire satisfaction.

2. To expect for the service we render a fair remuneration and not all the profits the traffic will stand.

3. To do all in our power to pack the customer's dollar full of quality, value and satisfaction.

4. To continue to train ourselves and our Associates so that the service we give will be more and more intelligently performed.

5. Constantly to improve the human factor in our business.

6. To reward the men and women of our Organization through participation in what the business produces.

7. To test our every Policy, Method and Art in this wise: *Does it square with what is right and just?*

If all this is a correct statement of the objects of business, then business itself is an appeal to nothing less than the Essentials of Manhood. From this point of view, business is something a man pursues because it promotes ethical well-being in himself and in all with whom he comes in contact.

This is the MORAL side of it.

Then it is incumbent upon him to study the principles of his business and to learn to line up details with principles so as never to confuse the one with the other.

This is the KNOWLEDGE side of it.

III

The Knowledge Side of Business

AND to the Knowledge side of business there is no limit, for conditions are always changing and new relationships are being developed. Hence the necessity for studying the business, for getting more and more light on its principles of operation. That, gentlemen, is the real purpose of these Conventions. Education helps us to see more clearly the opportunity there is in our job.

Now, the increased knowledge that results from the study of changing conditions of business gives a man greater Ability, greater Reasoning Power, develops the Intellect and broadens his Interests. In this there is found the highest form of practical education.

If, then, the men who are pursuing business are morally strengthened and increased in knowledge and ability, is not business a wonderful privilege? Is it not worth our while to give our Thought, Energy and Industry to business, when the reward is so great?

I have brought this matter before you from this angle, because we find, in studying the Ideals and Purpose of all Big Business, that two factors stand out in every well-organized firm or institution:

1. A definite Service purpose.

2. A constantly improving method of rendering that Service.

In order to perpetuate these two objects of business, we must support them with strength and stability. The two factors that do this are:

1. The Policy of the business itself.

2. The men who conceive and carry out the Policy.

Hence it is important in every business so to relate Policy and Men that each shall improve the other. Then the public is safe, for its service from business is assured; and the men who render the service are safe because they are keeping abreast of all demands the public imposes upon them.

IV

The Purposes of Big Business

JUST here let me state concretely some of the purposes of Big Business.

No large and successful business organization can continue to operate on a fraudulent basis. Frequently, the popular criticism of a prominent business organization is entirely wrong. If seen from the inside, its policy and operation may be wise and beneficial. And the more carefully we look into large corporations, the more we are impressed with the fact that, to continue in business, they must do certain things and sustain certain relations with the public that are useful, honorable and constructive; otherwise they must go to pieces. Hence Big Business must, of necessity, devote its creative policy and its energy to certain very definite objectives.

1. It must constitute a utility of some sort.

2. It must serve the public faithfully and well.

3. It must build a reputation for right dealing.

4. The service back of its operation must simplify, beautify and better living conditions.

It becomes necessary, then, to inquire how the rightly adjusted business organization accomplishes the ideal it sets up for itself—the ideal that always includes the public as a participant in all benefits to be secured.

You may inquire into and examine such business organizations as I am speaking of, probing as deeply as you desire, and you will always find this to be true:

The large business organization accomplishes its purpose by means of certain standards of policy and procedure that inspire and actuate every one in the business from top to bottom. The moment any single individual begins to pull aside, there is disruption and confusion.

What, then, are some of the means that Big Business employs?

1. It formulates Policies, Methods and Systems that cover completely all its field of operation.

2. It never ceases to study these Policies, Methods and Systems so that they shall adjust, when necessary, to new times and conditions, exactly as seamanship makes the Leviathan adjust to the movements of the ocean, in calm and storm.

3. It selects, trains and adjusts men so that their natural and developing ability

functions to the best advantage in the business.

4. With these two adjuncts—Policies and Men—business is prepared to give service and to forego selfishness.

What, then, is the one great factor in all the complex of business—the factor that sustains even Policy itself? What is it, in a final analysis, that business depends upon to realize its purpose and its policy?

That one factor is—*Men.*

V

Men, the Vital Factor

BUT just as business itself must be shaped and adapted to accomplish a certain purpose, so must Men; so must we; so must you and I and all of us. We must be willing to do with soul, mind, heart and body, all those things that will guarantee the success which we are convinced is possible as a result of our effort. The dedication of ourselves to business does not overlook nor forget any essential factor. It includes not only the developing of business but also the developing of the man in his all-round relationship as individual, as part of the family group, as part of the social order, as participant in the social, educational, religious and commercial institutions of his locality—in brief, the real man.

When we get this point of view of business, we realize that a man's value in it is in exact ratio not only with what he is willing to do for business, but equally with what he is willing to have business do for him. If he is a man of good judgment, there is no limit to his development. Nor can age check his progress if he will give his developing capacity continuous training. To accomplsh this, however, he must be willing to do a great many things before he expects to conquer the situation.

1. He must realize that freedom of action in business lies not in individual

action alone, but in organization and co-operation.

2. He must be alert to avoid mistaking routine work for development. The great art of business is to attend to routine and gradually to increase value and volume of operation.

3. He must study the parent organization of which he is a part and he must also study the public he serves so as to establish the most profitable and mutual relationship between them.

Any man, who will work with his organization, his community and himself on this basis, has every opportunty to become a high type of business man, to succeed in the best sense of the word and to live happily, because he lives usefully and with satisfaction to himself and to the community group of which he is a member.

I have attempted to place before you some of the fundamental practices of large business organizations for these reasons:

1. To show that large corporations have a deep and earnest realization of the purpose of business, not merely as a money getter but as an entrustment.

2. That they select, train and place men in their ranks who are capable, not

only of working hard but also of studying the business and sharing in the responsibilities it entails.

3. Finally I have mentioned the practices of large business organizations, because I want you to see that we, ourselves, being among the large organizations of our country, must not merely conform to the best current practices, but we must be among the leaders, contributing new ideals and inaugurating new ways and means of dealing with the public in a way that will result in mutual satisfaction.

What is necessary to give us the enviable position as a leader among the greater organizations of our times and country?

Three things:

1. Worthy ideals of doing business.

2. A scientific method of procedure.

3. A system of selecting and training men that will insure success to the

(a) Ideals and to the

(b) Method of Procedure.

VI

How to Create Perfect Local Organizations

NOW, I think, we may agree that our Ideals of doing business are worthy ones; we seek to serve the public to its greatest measure of satisfaction, asking only a reasonable and fair profit in return. As to our Method of Procedure, we have been for years working that out and we are now improving it and we shall continue to improve it. In all the years of our existence, we have been at work departmentalizing our business solely for the purpose of relieving the Managers of details that might better be done by others, and so leaving them free to create perfect local organizations that will satisfactorily serve the communities in which we operate.

What can we do to create a perfect local organization? How must it be done?

There are four factors to consider:

1. The man himself, that is, the Manager of the store.

2. The use he makes of the resources which the parent organization places at his command.

3. The community served by his store. Its needs, its buying power, its industries and institutions, and the Manager's relation to all of these.

4. His store organization.

Whether you are experienced and skilful in the management of your stores, or whether you are just entering upon your work, lay the problem before yourself in this way and examine every factor of it. By so doing, we shall get a checkup that will omit nothing, that will show us wherein we are efficient in our work and wherein we are overlooking something that is essential to the all-round wellbeing of the business. Let us spend a few minutes, then, in scrutinizing the four main factors of our operating plan.

They are:

(1) The Man

(2) His Resources

(3) His Public

(4) Store Organization

(1) *The Man*

Every one of us is willing to give the other man advice and, likewise, every one of us is apt to think that he himself does not need it. Let us drop this human habit for a moment to look at our problem as though we were especially selected to give it scientific analysis. When self is out of the way, we can do something.

It has been frequently stated, at these Conventions, that it is far easier to secure the surplus money to open new stores, than it is to find the right

men to manage them. Money is easier to get than men. This still remains true.

I said in the beginning of this address—policies are necessary and difficult to make right, but men to carry them out are just as necessary and more difficult to make right.

Now, why do you produce money faster than you produce men? There is only one reason.

You think Money but you do *not* think Men.

We shall never be wholly successful until you think both. We could even borrow money to open new stores, but we cannot borrow men. We cannot even hire them. We have to make them.

How do we make them?

By selecting the best raw material we can find and placing it in YOUR hands to shape to OUR purpose.

You see what I am coming to. The one subject that speakers always turn to at our Conventions is Man-Training. I quite understand that you may get tired of hearing about it, but let me assure you that you will be much more tired some day if you do not hear about it, for our business rests upon Men, and men are of no use to us until they have been trained to our way of doing business and you, gentlemen, must do the training.

I pointed out a year ago the factors that constitute Man-Training in our business. I am not going to repeat them. But I am, once again, going to recommend them to your careful consideration.

The matter of properly training men is our ultimate test of the Manager. Hitherto the Board of Directors has accepted the recommended man as worthy to go out to manage a store. We are now considering ways and means to test the recommendation before we entrust location, money and the public service involved in an untried man. We have discovered on other occasions the type of Manager that a man makes whose experience has been exclusively that of a specialist salesman—shoes for example. The Manager of one of our stores must not be that type of man. He must be an all-round capable director of the business in every department. This is but one of the inefficiencies that may characterize a new man who is, nevertheless, recommended to us as a capable Manager.

And just here it may not be out of place for me to say that I look confidently to the young man just out of high school or even college, whose mind has received a definite training, to be possible good material for our stores. We could afford to give such young men a long training, by taking them on part time perhaps while they are finishing their school courses, familiarizing them with our business from the bottom up and shaping them to every factor of the training which I showed you a year ago on one of the charts which illustrated my address.

Of course, such young men must be carefully selected. Desire on their part for our kind of work, adaptability to its demands, willingness to work hard and to study the job, would, in five or six years, provide us with excellent material. I mention this source of possible material because it would provide us with youth whose years permit long training before restlessness and impatience set up anxiety to get an interest. Then, again, I mention it because we must henceforth be more careful in preparing our men to go out as Managers by keeping them at work long enough to learn thoroughly the complexity of our way of doing business.

A man hurriedly trained is a perpetually unsafe investment. There is not only enough to do but enough to learn to keep a keen-minded youth busy on his job with us for years. He must be given careful instruction in our method of doing business from the basement up. He must study our Business Training Course, and when he becomes next man, our Manager's Course. I venture to say you will find that this will produce a real merchant, always assuming that the youth was carefully selected for real adaptability. Getting such young men, moulding their habits, providing them with education, with a store ever at hand as a laboratory, we shall find that we are creating material of real and lasting value.

But I want to repeat here, very emphatically, what was said by at least two of the speakers at the Spring Convention of this year: To train men, a

Manager must work with them, not as boss and hired man but more as instructor and student. No one can just pick up the broad and yet detailed knowledge of our business. It must be given him carefully and convincingly by word of mouth and by constant right example.

Finally let me say this:

In speaking thus favorably of the young high school and college man, I do not decry the man of experience who comes to us through the regular channels of our Employment Department. If a man of experience is willing to subject himself to the training I have just described, if he can keep himself unprejudiced by his previous experience and willing to learn our way of doing business—in short, start his mind all over again—he will become a valuable asset. But again I say the young man just out of school or college is the salvation of the J. C. Penney Company of tomorrow.

Of course, I need not talk to you about the type of man that it is desirable to employ from the moral and social point of view. The Manager of one of our stores must be skilled in all the phases of the business, because of the mutual interests that link him to the Organization. Beyond this he must be a man of good moral type, an economic Manager of his personal and family affairs, a careful student of his community and the people, a man who will build himself and the store he operates into the domestic and business fabric of his town. He represents a large and important Organization. May

it inspire in him breadth and depth of solid character and may he give evidence of these as the reflection of our Organization through him to his community.

(2) *His Resources*

I sometimes wonder whether any of us, at any time, is fully aware of all his rights and privileges. We all have resources we could use if we were wide awake enough to keep aware of them. The truth is we forget and we forget because it requires an active mind fully to realize, at all times, how extensive is our inventory of privileges.

Ours has so often been called a wonderful Organization that I have often wished it might never again be referred to as wonderful. But when we stop to consider how the original simple principles —upon which we founded our business—have developed and expanded, taking on newer and deeper meanings, I have to admit that the word "wonderful" is, perhaps, sometimes justified.

It is human nature for men to go it alone rather than to work with one another, to guess rather than to be sure, to take a chance rather than ask questions, but today business is not for the guesser, nor is it to be had without extensive cooperation.

We have built up some distinctive departments. We are trying our best to develop them so that they shall give the maximum service to you providing you with many an asset you could not procure otherwise. The way some of you use our Organi-

zation makes me wonder whether you get as much from every department as you could if you established and maintained intimate relationship with it.

Go at it this way. Is there a problem of accounting of which you are not sure? Go to the Comptroller's department with it. Don't let any matter like Overhead, Gross and Net Profit, Cost Price and Markup, trouble you when a two-cent stamp will set the machinery moving that will put you straight.

Are you availing yourselves as much as you should of our departments? Think for a moment of the resources they represent for your use: Accounting, Merchandising, Sales, Real Estate, Legal, Advertising, Educational and Buying. These departments are not your bosses. *They are your assistants.* Each is a special equipment ready to serve you properly and expertly. Never carry a problem about with you, the solving of which will help your business. Get it solved as perfectly as you can, *for a problem solved is more power to apply.*

Furthermore—as to resources—a Manager's community offers many advantages which he can use to his great benefit. Not all benefits are to be accepted. Many are to be bestowed. The community calls upon us to do many things, to give our thought, time and service for the common good. This is a true resource for it is a privilege—a privilege that enlarges our opportunity to improve ourselves. No man loses in the long run who esteems

it a privilege to help others. Can you not from this brief description complete the picture for yourselves and come a little nearer accuracy in estimating how wealthy you are in unrealized assets and in unavailed of resources?

(3) *His Public*

Shall we take just the business that comes to us voluntarily or shall we go after all we can get?

We have answered this question, in a measure, by establishing an Advertising Department, the purpose of which is to bring not only our merchandise but our business policy before the public. But not even an extensive advertising campaign, underwritten by a generous appropriation, can secure for us the maximum favorable aquaintance and business from the community wherein we do business. Detailed as advertising may be, it is always, more or less, a general appeal. This general appeal must be turned into a specific investment by intensive work with the people of the town. There are several ways of accomplishing this—no one of which can be neglected without loss to our possible profitable volume.

Let us see what these ways are.

To begin with, we must never forget that everything we say and do, undertake and accomplish, succeed in or fail in, is intensive advertising. Manner of speech and action advertise a man or woman

more effectively than an announcement in print. And by this we are silently but effectively classified by the people with whom we come in contact.

It is desirable, then, that we think out carefully our status as merchant in our town and as a citizen both of private and public relationship; that no habit of ours, no opinion, no application shall reflect upon the Organization in a manner derogatory to its nation-wide reputation. Like the Ambassador from Washington to a foreign court, our Managers are Ambassadors to the public with power to act. The Manager in the community is not himself; he is the J. C. Penney Company.

It is reasonable then to regard the community as a complex of social, industrial and institutional interests which must be studied so thoroughly by the Manager that he can interpret accurately its purchasing needs. If a man sets out to secure this accurate knowledge of his town in the spirit of establishing those personal relationships that will permit him to be of greater service to his friends, neighbors and business associates, he will be richly rewarded in two ways:

(1) By what he can contribute to the institutions and other public interests of his town.

(2) By the personal following he will legitimately build up.

In these days of active, though not always ac-

curate, propaganda against the chain store we cannot afford to give the impression that our stores are units of a foreign corporation whose purpose is to get all we can out of a town and to give as little in return as possible. This is not true in our Company. But it must be so clearly demonstrated that it is not true that we run no risk of having a false reputation fixed upon us.

All the business interests of a community are in the safe keeping of each single merchant. A Manager of one of our stores is, in a measure, a conserver of the commercial health of his town. Its best interests are his. Its improvement is his care. Its development is his benefit. The only sane relationship he can establish with his town is that of cooperator in its well-being. He must never try to oversell it, never fail to consider the permanent satisfaction of the person who buys, never fail to do his share for the common good. And his organization, every individual of it, must do the same. Both Manager and Associates in the store sell not only merchandise but also Service and Policy. The Policy of the Company and the nature of its relationships must be definitely and tactfully sold to its patrons.

Therefore, over-the-counter advertising should supplement and be even more definite than newspaper advertising; it should always emphasize the strong lines of our policy of doing business. Let me state a few of the facts which over-the-counter advertising—when properly done—can disseminate:

1. It should never discuss competitors.

2. It should emphasize strictly and truthfully quality and value; and also price in relation to quality and value.

3. It should include reference to the mutual policy of the Company by which men work for a definite goal, which includes a share of the profits· and women for a bonus benefit based on tenure of office and volume of sales.

These topics within the general subjects of over-the-counter advertising should never be discussed by our Managers and Associates in a hit or miss manner. The whole question should be carefully reviewed at store meetings and a small body of doctrine, that is thoroughly understood by everyone, should be agreed upon and adopted as the verbal advertising of the store. This becomes the store's active institutional publicity.

The manner of using this propaganda material is just as important as the character and veracity of the material itself. It should never be forced upon the customer. It should never be intruded against the commonsense run of conversation. It should be told tactfully, never with anxiety but always with the impression that the speaker is proud of his Institution, happy to be a part of it and alive to the benefits and opportunities it offers.

This, briefly, is the nature of a Manager's relation to his public. I have not specified that he

should go to church or join a club or keep his credit A-1 at the bank and at places of business where he does his purchasing. No man should need to be convinced of the wisdom and necessity of these. Every town has its distinct local problem and each of you must handle it in the best and most practical way for your personal and business well-being. It is enough to say that we must not ignore the public and its institutions. Their prosperity is ours. Their varying fortune is our concern. Let us do those things that make for unity of interest and constructive co-operation. Then all else will take care of itself.

(4) *Store Organization*

The central fact in all work to be performed by two or more people is co-operation. There must be centralized effort directed upon a definite objective or nothing constructive will result. Our Organization Policy, directed principally to serve the Public to the greatest mutual satisfaction, must be the inspiring objective to which the personnel of our store's work. Out of this policy there must necessarily spring much activity. The store having been established in a community, the first duty of the Manager is to assemble and properly organize a working force to whom he can convey, by careful instruction and ample opportunity for practice, the policy of the Organization as a whole, as a servitor of the public.

I have already pointed out along what lines a Manager must approach his public in order to

study its needs and provide the goods it desires to purchase. The type of service, which he inaugurates and continues for the purpose of doing this, rests with him as a trainer of other people. I will not assume to tell you, gentlemen, what it is you must do to accomplish the great purpose we find in creating for ourselves and the public mutual satisfaction through the channels of trade. But I will at least go this far: Every person in our employ, in your Organization, must be loyal to the policies of the Company; must learn to understand thoroughly what it is the Company strives to do; must become dependable representatives of the Company to the customer; must take pride in the local Organization, realizing that the store is simply a door through which the public passes to come into contact with the resources of the parent Organization.

To accomplish the training necessary to make your Associates fit representatives of a Nation-Wide Institution, you must know in what subjects to instruct them and this instruction must be given with the utmost solicitude for the well-being of all concerned. Hence, you cannot afford to ignore the store-meeting as an indespensable adjunct to increasing the service value of the men and women in your employ. Our Associates are rewarded in bonus payments to women and in possible participating partnership to men, beyond the current payment they receive. This reward is augmented in proportion as they understand and apply the principles of the Company in their dealings with the public. Stress this fact to them so that they

shall see that they are really the outposts of the service which all the resources of the Organization places at the service of the public. Between the sales-person and the public is the point of contact that represents maximum efficient action. Study every factor involved in this action, and as you are on the floor meeting the public, selling merchandise and observing your store force, be sure that this maximum point of contact is operating to one hundred per cent of its possible purpose.

It has been explained to you by others why we teach the Business Training Course. I know you understand this one fact about it, that it places in the hands of every person in our employ that body of procedure which has made us a solid business organization. It is a brief history of our way of doing business. No one can fully understand the working principle of the J. C. Penney Company, who does not thoroughly master the lessons of our Course, but it is the Manager who must inspire his sales-force with the reason and desire to do this. Make them all understand that a real job is *first* what it teaches, *then* what it pays.

I picture a store from which the Manager makes contact helpfully and heartily with the people and institutions of his town; who studies the town's needs as they may be provided by his merchandise supply; who takes pride in working with men and women whom he inspires to the same outlook in our Company as he himself has. I can imagine such a man an indispensable factor in all the doings of his locality, a friend to every

person in his employ, a helper and instructor in their business growth and in their intellectual and character development.

Is there any position wherein a man can make contact with so many people and things, work along so many lines, develop in so many ways, give and keep giving to others so beneficially as he can in the J. C. Penney Company?

A store-force selected for efficiency, trained for an increase of efficiency, inspired to the desire of fittingly representing a great Organization that is morally and financially so well founded as ours, is truly a great responsibiilty and no less a great joy.

VII

The Joy of Work

THE passing of the years and the continued development of our business have taught us a great fact about the individual man. It is this:

He will live best who, having a righteous ambition, brings to bear upon it with satisfaction to himself a developing intelligence; who welcomes every new problem, every new play of the game; who finds self-development in every chance to help the other man; and who to the end of his days finds joy in doing his utmost with his job. This kind of life is happiness itself. To my mind, it is also success. A job worth doing, that one continues to do better and better and to the satisfaction of himself and to those with whom he deals, is indeed a mighty privilege.

What better life could a man ask than this?

With so great an arena for action, and with work that crowns a man's years with satisfaction and honor why should a man sell out his kingdom for a little money that does not belong to him? Why should he sacrifice all his future, one day, by taking property irregularly when he knows that in any emergency that arises he will be willingly helped over it by his Organization? Keep it in mind then that consideration and forethought are worth a lot more than regret. I should like to say here, if you will not think I am preaching, and

I am truly not preaching, that while money is a necessary desirable object in business, it is not to be compared in value with the privilege of working. Many a financial success is the beginning of a mental and moral failure. Money very often fails to give the very freedom one thinks it will give, for frequently money inhibits action, tempts a man to try to entertain himself, to find in play the satisfaction that he can find only in creative labor. Let us not mistake the use and purpose of this thing called money. It is a fine and cheerful servant. But once it gets the upper hand, it is a cruel master.

VIII

Menace of Half-Hearted Work

NOW at this point when we have just spoken of true success and of the right use of money, I want to say another word to you. In our business, as is the case in all other like organizations, we are not afraid of a man who fails in his work. The man we fear is he who half fails to do his job and still hangs on. Every job in our Organization from top to bottom is a fighting man's job. It is not a half time nor an easy time job nor a half-hearted job. It is a planning, delving, foreseeing, developing job, that only a fighting man can do. Therefore, if any of you, having secured what you think is enough income to permit you to let up, why go to it and let up all you want. We rejoice with you in the fortune you have secured and in the privilege you seem to find in it. But be honest and don't straddle. Better let up than to hang on to your job just to continue to draw your salary and have a place to spend a part of your time. Get out and do what you want to do but don't keep a fighting man from operating in your place if you no longer want to fight. From middle age onward the majority of mankind avoids new forms of activity. If life has been kind and men have obtained a little fortune, certain signs begin to show: satisfaction, content, desire to let go. These are all right but I venture to say that he is happiest who belongs to the class of middle-aged persons whose vigor and clearness of vision and judgment are still active and alert and whose in-

terest in life plus the experience he has had, makes himself as an investment superior to youth.

Should we not rather prefer to be this type of man?

IX

Conclusion

I HAVE spoken of our business as an entrustment. The public today is reading the reports in the public press of the spectacular career and tragic ending of some chain store enterprises. They will appreciate the conservative basis of management which characterizes our Organization. In the twenty-one years of our history we have striven and will ever continue to strive to surround our Company with every safeguard that can be devised. You need not fear chain-store criticism. There is liberal propaganda being spread about these days which does not spring from the type of enterprise we are. I had this in mind a little while ago when I spoke to you of the over-the-counter advertising idea, the principal purpose of which should be to acquaint the public truthfully with our policy and to create confidence in our method of doing business.

To read the career of the man who makes spectacular and tragic plays in business is invariably to read of a nature that is tainted either with bad judgment or the gambling instinct. This type of man has always existed and probably always will. In it there is for every organization and for every man connected with the organizations a great lesson, namely: Business is conserved and kept safe by integrity, honest purpose, rare judgment and the continued development of the people who operate it. I want you to carry away from this Convention

this message particularly, that the development of our business in years to come (carrying with it a great augmentation of annual volume), must arouse in us not only a feeling of satisfaction over what is to come, but a feeling of enormous responsibility as to the parallel development which that expansion *demands of us,* of you, and me, of every one of us. Business is being so closely scrutinized by the public as well as by its contemporaries that any spot in it of "stand-still" character will immediately mark it as a failing enterprise. I trust you see to what a tremendous extent the well-being of this Company rests in the hands of each of us.

It is for these reasons that I have twice brought before you the necessity for observing strict personal economy towards oneself and one's family; less than this means incapacity for economically running our business. I need not dwell upon this, because the lesson is too simple to demand explanation. Our work is a mutual task. Let us meet it in a feeling of mutual interest and responsibility.

Our simple duty as well as our great opportunity is to enrich our Organization with all that we have to give, believing that it will enrich us in return with its productiveness. Business is just as reasonable and active a life as anything else. It need not stimulate men to foolish dreams nor illogical expectations. Business is, strictly speaking, a science. The equation of which is that one finally receives what one contributes. Again business is a wonderful builder of character, for its transactions are

the Golden Rule in action. Furthermore, business constitutes a logical life-work for a man, as it enlists his honor, his integrity, his industry, his imagination. It gives him an opportunity to become an active public benefactor and to serve and constantly increase his circle of patrons, who, if they are met upon a basis of mutual satisfaction, will in time increase and become a circle of friends. And after all is said and done it is our friends who contribute to our happiness.

So I have made this appeal to you—an appeal for a greater understanding of your opportunities and responsibilities, an appeal for your continued growth and self-development. It is to you—in whose hands rests the training of the men of the J. C. Penney Company of tomorrow—that I appeal today. You and I are active and alert, capable and anxious—I hope— to do what we have in hand, but after the dawn of tomorrow someone else must carry on. And it is you who must train that someone else; it is you to whom I have made this appeal.

Influence *of* Home Economics *Upon* Business

By

EARL C. SAMS

A supplemental address delivered by Mr. Sams at the 1923 Fall Conventions.

Influence of Home Economics Upon Business

THE vast majority of mankind is honest, honest both in intention and in practice. But we know from personal experience in daily life as well as from the reports of the experiences of others, that now and then men yield to some influence, give in to some cause, surrender to some temptation which places them in a position to be charged with, and often convicted of, dishonest procedure.

Yet despite this I am confident that representative business men will agree with the statement that I have just made: The vast majority of men is honest both in intention and in practice.

How does it come about then, that here and there a man strays from the path of right procedure and exposes himself to classification under the head of The Dishonest?

I believe those practices which eventually end in dishonesty begin *not in the intention to be dishonest but in Carelessness*—Carelessness of mental habit, carelessness of living and of expenditure, carelessness in the handling of one's own property

and the property of others, carelessness in confusing Mine and Thine.

Let a man start in with this careless habit of mind and you can readily see that negative and evil conditions soon begin to accumulate about him. After a while he will have his hands full of the results of his own wrong habits of thought. When this takes the form of carelessness with the money or property of others, you can see that a man is soon enmeshed in a situation in which he has no intention of placing himself. Yet there is the fearful fact before him that to all intents and purposes he stands in a position of trust to which he has been disloyal. He has given others cause for calling him a Thief.

The Result of Not Thinking Straight

NOW what produces Carelessness in mind and habits leading to dishonesty?

The answer to this question is this: It is the result of not thinking straight. Whether a man envies another man's property and tries to imitate it, whether a man of small means tries to hit the gait of a man of large means, whether a man gives in to the temptation to anticipate the possession of those things he ought to wait for, whatever the reasons may be, this type of action is the result of crooked thinking, crooked because it does not see

in a straight line from the place where a man's feet are.

Perhaps more misfortune has befallen individuals and families because men are unwilling to wait to enjoy certain pleasures, until they are actually able to afford them, than from any other cause.

I think it has been mentioned at these Conventions, that the automobile is a prolific source of unwarranted expenditure. It is absolutely no business of anybody's whether an employee of this Company has an automobile or not, when the possession of this or any other object lies logically within the means of the man owning it. Its possession is his private business and no one's else.

But when the purchase of *anything,* whether it be an automobile or a dress suit, or a house or what not, is beyond a man's immediate means, he has committed an indiscretion in expenditure that is going to influence him to fall in one or two ways. Either he will fail to pay for what he has thoughtlessly purchased, or he will be tempted to use money that is not his. In the one instance, his credit is destroyed; in the other, his reputation for honesty is gone. No man can afford to lose either.

At each of the past three or four Conventions some one has spoken about economic living and logical distribution of what a man earns. I trust this topic will never be omitted from the programmes of our semi-annual meetings. I want to say to you that it is my conviction that any man, whose habit of mind it is to spend beyond his means and, further, whose habit of mind it is to fail to build that surplus of savings which every individual and family needs, places himself in a position to yield to the careless handling of the funds or property of others, which, in turn, inevitably leads to the misappropriation or misuse of the money or property of others. All of this harks back to the Biblical injunction: "Yield not to temptation."

But the trouble is that many a man becomes involved in what the unprejudiced mind must call dishonest procedure without any intention in the beginning to yield to temptation. What he seems to yield to in the beginning is a contract for more than he can carry, but whch he hopes to catch up on later, when Good Luck comes his way. That is a poor and unsafe bet because it is an uncertain one. Spend wisely the dollar you have. Never spend the dollar you think you are going to have.

And perhaps equally bad with the individual mistake in these procedures is the bad example to others which every act of over-reaching is sure to be.

This is piling a moral wrong upon dishonesty. Mr. Bachelor's little book "Keeping up with Lizzie" has a homely title but it tells a wholesome truth. The "swift" man has many followers. It is easy to get into the swing of the tide if a man

does not care where he steals his oars. But if one manfully travels up stream, he knows he can make it only with the use of his own arms in the struggle against the tide.

Thrift

I WANT you to preach to your store people the most earnest sermon upon, and inculcate in the most earnest way, the purpose of thrift, the habit of living within one's means, the wholesome custom of setting aside from time to time, and preferably frequently, even small sums of money as a bulwark against the intrusion of want or need in later years. It is far beyond the ability of the average man to speak in sufficiently earnest terms of the wholesomeness of this practice.

I wish I could tell you all I feel and think about the benefits accruing to anyone whose habit of mind is to be a good steward of money and property. Nothing in the world is a finer example of a man's industry, control and foresight, than this.

Naturally, a man could talk on the various phases, small and great, of dishonesty, for a long time, but for us the subject is worthy only of this consideration—namely, that we have joined this Organization, and that men will continue for years to come to join it, in the understanding that they are seeking an occupation which will not only contribute to their present day living and ultimate well

being, but which will also provide a worthy life occupation. I think this is a way of looking at our business that we do not speak about enough. Just consider for a moment. A man joins this Organization, works his way up gradually from a humble position, avails himself of the opportunities that present themselves, learns the Organization's practices, builds a store organization, fits into his community so as to give it the best of service, all the time improving his personal fortunes gradually, and also all the time becoming a little older.

Perhaps some day it dawns upon him that what he is dedicating to the J. C. Penney Company is not merely his thought and his strength but also all the years of his life. When we think of it this way, it appears to me to emphasize very strongly indeed that we not only give to this splendid Organization the thought of our minds, the labor of our hands, and the years of our life, but also we give it the very loyalty of our souls.

Once we take this point of view toward what I may really call the sacredness of the obligation which we take upon ourselves, in coming into the J. C. Penney Company, the more it seems to me that every particle of the moral fibre of a man should be in constant warfare against even the commonest temptations to be careless about little things.

Let us establish and maintain that simple honesty of straight thinking and straight acting, that in all the years of history are shown to be the only true

fundamentals of a life of success and satisfaction. Let us, as I have said, pledge the thought of our minds to planning a fairer and better J. C. Penney Company. Let us direct the labor of our hands to building that greater Company firm and secure. Let us fill the years of our lives with enthusiasm for the work we are permitted to do. And, finally, let us dedicate the loyalty of our souls to the honor of our calling.

To do these things is to live in happiness, usefulness, and in the peace that passeth understanding.

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